R17

Code No: 743AQ

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MBA III Semester Examinations, April/May-2019
STRATEGIC MANAGEMENT ACCOUNTING

Time: 3hours **Max.Marks:75**

Note: This question paper contains two parts A and B.
Part A is compulsory which carries 25 marks. Answer all questions in Part A. Part B consists of 5 Units. Answer any one full question from each unit. Each question carries 10 marks and may have a, b, c as sub questions.

PART - A **5 × 5 Marks = 25**

1.a) Distinguish between direct and indirect expenses. [5]
b) Explain Unit costing. [5]
c) What is key or limiting factor? [5]
d) What is diversification of products? [5]
e) Distinguish between standard costing and budgetary control. [5]

PART - B **5 × 10 Marks = 50**

2. Discuss the various cost concepts. What is the managerial use of classification of costs? [10]

OR

3. State the differences between Financial Accounting, Cost Accounting and Management Accounting. Explain how financial accounts are inadequate to measure the performance of an industry. [10]

4. Below is the enumerated expenditure in the manufacture of Commodity X:

	Three months ended 31-12-1999
Raw materials	28,000
Fuel	6,900
Electric power	1,340
Process and general wages	63,500
Repairs	2,400
Haulage	1,060
Light & Water	400
Rent	2,000
Rates and Insurance	300
Office salaries and general expenses	7,000
Administration (office)	5,000
Depreciation on Machinery	2,500
Total	1,20,400
Tons manufacturers	17,200

Prepare a Cost-Sheet showing the cost per each item of expenses and total cost per ton for the period. [10]

OR

5. Distinguish between:
a) Controllable costs and uncontrollable costs.
b) Job costing and process costing. [5+5]

6. XYZ Ltd. supplies the following information data for the year ending 31st December 2018

Production	1100 units
Sales	1,000 units
There was no opening stock	
Variable manufacturing cost per unit	Rs.70
Fixed manufacturing overhead (total)	Rs.22,000
Variable selling and administration overhead per unit	Rs. 50
Fixed selling and administration overhead	Rs.4000
Selling price per unit	Rs.150

Prepare Income statement under marginal costing. [10]

OR

7. Explain application of Marginal costing in terms of cost control and closing down a plant. [10]

8.a) Explain briefly about Cost-volume-profit analysis.
b) How contribution is related to Profit. Explain. [5+5]

OR

9. XYZ Ltd. which produces three products furnishes the following data

	Products		
	A	B	C
Selling price per unit (Rs.)	100	75	50
Profit/Volume ratio	10%	20%	40%
Maximum sales potential (units)	40,000	25,000	10,000
Raw material content as % of Variable cost	50%	50%	50%

The fixed expenses are estimated at Rs. 6,80,000 . The company uses a single raw material in all the three products. Raw material is in short supply and company has a quota for the supply of raw materials of the value of Rs.18,00,000 for the year for the manufacture of its products to meet its sales demand.
Calculate a) set a product mix which will give the maximum overall profit keeping the short supply of raw material b) maximum profit. [10]

10. Float glass manufacturing company requires to present the budget for the next year from the following information:

Sales :	
Toughened glass	Rs.6,00,000
Bent glass	Rs.2,00,000
Direct material cost	60% of sales
Direct wages	20 workers @Rs.150 per month
Factory overheads:	
Indirect labour	
Works manager	Rs. 500 per month
Foreman	Rs.400 per month
Stores and spares	2.5% on sales
Depreciation machinery	Rs.12,600
Light and Power	Rs.3,000
Repairs and maintenance	Rs.8000
Others Sundries	10% on direct wages
Administration selling and distribution expenses	Rs. 36,000 per year

[10]

OR

11. Explain the following:
a) Performance budget
b) Cost Audit
c) Standard costing and marginal costing. [10]

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